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**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**  
**ANNUAL FINANCIAL AND COMPLIANCE REPORTS**  
**YEAR ENDED JUNE 30, 2009**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/13/10



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**EAST FELICIANA PARISH SCHOOL BOARD**  
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**ANNUAL FINANCIAL AND COMPLIANCE REPORTS**  
**YEAR ENDED JUNE 30, 2009**

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**INDEPENDENT AUDITORS' REPORT**

The Members of the  
East Feliciana Parish School Board  
Clinton, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Parish School Board (School Board) as of and for the year ended June 30, 2009, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Parish School Board as of June 30, 2009 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis and the budgetary comparison schedules on pages III through VIII and pages 26 through 29, respectively, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Feliciana Parish School Board's basic financial statements. The accompanying supplementary information consisting of the combining non-major fund financial statements and the schedule of compensation paid to board members is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2009 on our consideration of the East Feliciana Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Postlethwaite + Netterville*

Baton Rouge, Louisiana  
December 19, 2009

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2009**

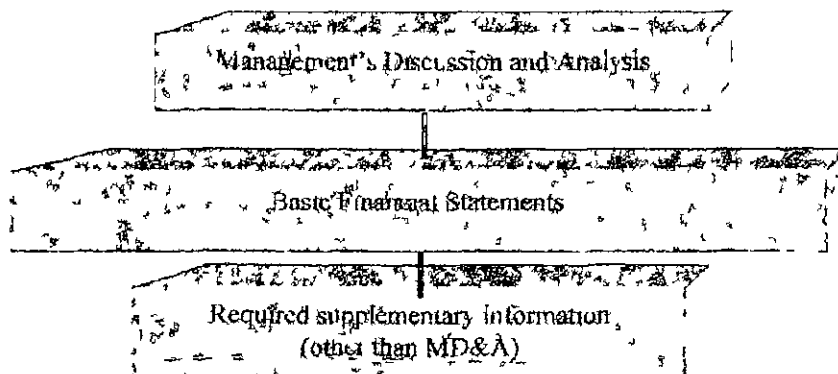
The Management's Discussion and Analysis of the East Feliciana Parish School Board's (the School Board) financial performance presents a narrative overview and analysis of the School Board's financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information.

**FINANCIAL HIGHLIGHTS**

- ★ The East Feliciana Parish School Board's assets exceeded its liabilities at the close of fiscal year 2009 by approximately \$11,311,000.
- ★ Expenses exceeded revenues by approximately \$782,000 at the end of the year, indicating a decline in the financial position of the School Board over prior year.
- ★ State MFP funding increased by approximately \$460,970 from the prior year.
- ★ The General Fund's fund balance increased from the prior year by approximately \$163,000 or 21.9% due to decreased costs.
- ★ The Operations and Maintenance Fund, which accounts for the proceeds of a 1% sales tax, has a fund balance of approximately \$1,295,000, which can be used for a variety of operating purposes. The Board has used this fund to provide salary supplements and capital outlay for the past several years.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2009**

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the School Board's finances, in a manner similar to private sector business.

The *statement of net assets* presents information on all of the School Board's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused sick leave).

Both of the government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system. The governmental activities of the School Board include regular and special education programs, support services, administration, maintenance, student transportation, and school food services. The School Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

**Fund financial statements.** A *fund* is a grouping of related accounts that are used to maintain control over the resources that have been segregated for specific activities or objectives. The School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School Board can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the School Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School Board maintains dozens of individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, and the Sales Tax Operations and Maintenance Fund, both of which are considered major funds. The remaining funds are combined into a single, aggregated presentation under the label of other governmental funds, which contains all non-major funds. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2009**

**Fund financial statements (Continued)**

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of outside parties such as students. Fiduciary funds are not reflected in the government-wide financial statements because of the resources of those funds are not available to support the School Board's programs. The School Board's fiduciary funds consist of the School Activity Fund, which contains monies belonging to the schools, their students, and clubs and other activities, and the Sales Tax Fund, which accounts for the collection and distribution of parish-wide sales taxes.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**FINANCIAL ANALYSIS OF THE ENTITY**

Condensed Statements of Net Assets  
as of June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash and other assets	\$ 2,522,665	\$ 2,749,018
Receivables	1,750,344	1,681,130
Prepaid expenses and other	64,351	348,340
Capital assets	<u>9,906,287</u>	<u>10,104,270</u>
Total assets	<u>14,243,647</u>	<u>14,882,758</u>
Accounts, salaries and other payables	2,084,162	2,275,112
Net post employment benefit obligation	261,303	-
Compensated absences and claims liabilities	<u>587,208</u>	<u>514,364</u>
Total liabilities	<u>2,932,673</u>	<u>2,789,476</u>
Net assets:		
Invested in capital assets, net of debt	9,906,287	10,104,270
Restricted	112,126	521,408
Unrestricted	<u>1,292,561</u>	<u>1,467,604</u>
Total net assets	<u>\$ 11,310,974</u>	<u>\$ 12,093,282</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2009**

**FINANCIAL ANALYSIS OF THE ENTITY (Continued)**

- Cash and cash equivalents decreased by approximately \$226,000 or 8.2% over the prior year due to deficit spending. Despite this decrease, cash and cash equivalents remain at an adequate level to meet current obligations. These assets, consisting of cash in local financial institutions comprise approximately 17.7% of total assets.
- Receivables have increased by approximately \$69,000 or 4.1% over the prior year due to the timing of receipt of grant reimbursement requests near year end.
- Capital assets, which are reported net of accumulated depreciation, account for 70% of the total assets of the School Board for the most recent year ended.
- Total liabilities have increased by approximately \$143,000, with salaries and related payables comprising 71% of amounts owed at year-end.
- Unrestricted nets assets decreased by approximately \$175,000 or 11.9% over the prior year and accounted for 11.4% of total net assets at June 30, 2009.

Condensed Statements of Revenues and Expenses  
for the years ended June 30, 2009 and 2008

	2009	2008
Program Revenues		
Charges for services	\$ 87,411	\$ 99,641
Operating grants	4,672,461	4,779,789
General revenues		
Property taxes	1,892,114	1,845,234
Sales taxes	2,738,270	2,719,378
Earnings on investments	17,523	105,563
MFP	13,700,530	13,239,557
Other	397,191	305,706
Total Revenues	<u>23,505,500</u>	<u>23,094,868</u>
Expenses		
Regular education	9,246,892	10,046,538
Special education	1,847,578	2,253,470
Other education	1,942,007	1,777,868
Pupil support	789,844	876,648
Instructional staff	2,303,400	2,165,014
General administrative	661,663	821,798
School administrative	1,581,192	1,294,652
Business and central services	383,705	333,976
Plant operation and maintenance	1,950,555	2,084,043
Transportation	1,508,726	1,455,148
Food service	1,446,076	1,501,939
Central services	137,244	125,077
Community service programs	15,000	15,000
Depreciation	473,926	477,719
Total Expenses	<u>24,287,808</u>	<u>25,228,890</u>
Excess of revenues over (under) expenses	<u>\$ (782,308)</u>	<u>\$ (2,134,022)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2009**

**FINANCIAL ANALYSIS OF THE ENTITY (Continued)**

**Change in Net Assets**

- MFP, which accounts for 58% of total revenues for 2009, increased approximately \$461,000 due to an increase in the allocation per student.
- Sales taxes, which account for 11.65% of total revenues for 2009, remained relatively stable from 2008 to 2009.
- Operating grant revenues, comprising 19.9% of total revenues for 2009, remained relatively stable from 2008 to 2009.
- Expenses decreased by approximately \$941,000 or 3.7% over the previous year due primarily to personnel cost reductions.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2009, the East Feliciana Parish School Board had approximately \$9,906,000 invested in a broad range of capital assets, including land, building, and equipment. (See Table below).

This amount represents a decrease (including additions and deductions) of approximately \$198,000 over last year due to the recognition of depreciation during 2009, net of current additions.

**Capital Assets at Year-end  
(Net of Accumulated Depreciation)**

	<u>2009</u>	<u>2008</u>
Land	\$ 1,199,768	\$ 1,199,768
Buildings and Improvements	8,426,004	8,583,816
Equipment	247,465	287,636
Construction-in-Progress	<u>33,050</u>	<u>33,050</u>
Totals	<u>\$ 9,906,287</u>	<u>\$ 10,104,270</u>

**Long-term debt**

At the end of the current fiscal year, the School Board had no bonded debt outstanding. Long-term liabilities consist of compensated absences payable of \$562,208, net other post employment benefit obligation of \$261,303, and a claims liability of \$25,000.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2009**

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Over the course of the year, the general fund operating budget was amended on several occasions. The amendment of the operating budget is a customary practice and is reflective of the change that occurs with financial related matters throughout the fiscal year. The most significant changes during 2009 were as follows:

**Revenues:**

The general fund budget was amended from the original projections to reflect an increase in MFP revenue and ad valorem tax revenue.

**Expenditures:**

Budgeted expenditures were amended to reflect higher amounts incurred for personnel related costs. Additionally, an amendment to decrease building acquisitions/capital outlay was made since the costs were not made.

**ANALYSIS OF FUND BALANCES**

The General Fund's fund balance of \$910,277 represents unrestricted amounts available for future expenditure, and equals approximately 4.8% of the School Board's annual expenditures. Best practices recommend that governments maintain general fund balances equal to 10% of annual expenditures. The Operations and Maintenance Fund's fund balance of \$1,295,649 is also available for a broad range of uses, including operating costs paid by the general fund. On a combined basis, these two fund's fund balance equals approximately 11.8% of annual expenditures. The combined non-major funds' fund balance of \$47,272 is relatively low in comparison to the other funds due to the fact that these funds' primarily account for reimbursement based federal grant programs.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The East Feliciana Parish School Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Sales tax revenues are budgeted to remain the same compared to 2009 collections.
- Ad-valorem tax revenues are expected to increase by approximately \$50,000 over the prior year.
- The General Fund operating budget was adopted to include a slight surplus.
- Health insurance and retirement benefit payments are expected to increase on an individual basis. However, the overall cost was reduced due to a lower number of personnel on staff for 2010.
- No significant capital outlay was budgeted for 2010.

**CONTACTING THE EAST FELICIANA PARISH SCHOOL BOARD'S MANAGEMENT**

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the School Board's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Mr. Tommy LeJeune, CPA, Faulk & Winkler, LLC, c/o East Feliciana Parish School Board, 12732 Silliman Street, Clinton, LA 70722, (225) 683-8277.

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**STATEMENT OF NET ASSETS**

**June 30, 2009**

**ASSETS**

Cash and cash equivalents	\$	2,522,665
Sales tax receivable		225,544
Prepaid expenses		28,119
Due from governments		1,225,389
Due from external party (fiduciary fund)		299,411
Inventory		36,232
Capital assets:		
Land and construction in progress		1,232,818
Buildings and equipment, net of accumulated depreciation		8,673,469
		<hr/>
TOTAL ASSETS		14,243,647

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts, salaries and other payables	2,084,162
Net post employment benefit obligation	261,303
Long-term liabilities:	
Due within one year	-
Due in more than one year	587,208
	<hr/>
TOTAL LIABILITIES	2,932,673

**CONTINGENCIES (NOTE 11)**

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**NET ASSETS**

Invested in capital assets, net of related debt	9,906,287
Restricted for:	
Debt service	83,484
Capital improvements	195
Federal and State Grant programs	4,070
Compensation	24,377
Unrestricted	1,292,561
	<hr/>
TOTAL NET ASSETS	\$ 11,310,974

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD****Clinton, Louisiana****STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net
				Assets
				Governmental Unit
<b>Instruction:</b>				
Regular education programs	\$ 9,246,892	\$ -	\$ 1,552,892	\$ (7,694,000)
Special education programs	1,847,578	-	310,276	(1,537,302)
Vocational education programs	418,229	-	70,236	(347,993)
Other education programs	1,523,778	-	255,898	(1,267,880)
<b>Support Services:</b>				
Pupil support services	789,844	-	132,644	(657,200)
Instructional staff services	2,303,400	-	386,825	(1,916,575)
General administration services	661,663	-	111,117	(550,546)
School administration services	1,581,192	-	265,540	(1,315,652)
Business and central services	383,705	-	64,438	(319,267)
Plant operation and maintenance	1,950,555	-	327,570	(1,622,985)
Transportation	1,508,726	-	253,370	(1,255,356)
Food service	1,446,076	87,411	916,087	(442,578)
Central services	137,244	-	23,048	(114,196)
Community services	15,000	-	2,519	(12,481)
Depreciation	473,926	-	-	(473,926)
Total Governmental Activities	24,287,808	87,411	4,672,461	(19,527,936)
<b>General Revenues</b>				
<b>Taxes:</b>				
Ad-valorem taxes				1,892,114
Sales and use taxes				2,738,270
State revenue sharing				75,444
<b>Grants and contributions not restricted to specific purposes:</b>				
Minimum Foundation Program				13,700,530
Interest and investment earnings				17,523
Miscellaneous				321,747
Total general revenues				18,745,628
Change in Net Assets				(782,308)
Net Assets - July 1, 2008				12,093,282
Net Assets - June 30, 2009				\$ 11,310,974

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD****Clinton, Louisiana****GOVERNMENTAL FUNDS****BALANCE SHEET****JUNE 30, 2009**

	General	Operations and Maintenance	Non-major Governmental	Total
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 800,055	\$ 1,530,319	\$ 192,291	\$ 2,522,665
Sales tax receivable	112,772	112,772	-	225,544
Prepaid expenses	28,119	-	-	28,119
Due from other funds	1,982,628	-	2,589	1,985,217
Due from other governments	19,337	-	1,206,052	1,225,389
Inventory	-	-	36,232	36,232
<b>TOTAL ASSETS</b>	<b>\$ 2,942,911</b>	<b>\$ 1,643,091</b>	<b>\$ 1,437,164</b>	<b>\$ 6,023,166</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 79,375	\$ -	\$ 51,528	\$ 130,903
Salaries and benefits payable	1,953,259	-	-	1,953,259
Due to other funds	-	347,442	1,338,364	1,685,806
<b>TOTAL LIABILITIES</b>	<b>2,032,634</b>	<b>347,442</b>	<b>1,389,892</b>	<b>3,769,968</b>
Fund balances:				
Reserved for inventory	-	-	36,232	36,232
Reserved for prepaid expenses	28,119	-	-	28,119
Reserved for debt service	-	-	83,484	83,484
Unreserved, reported in:				
General Fund	882,158	-	-	882,158
Special Revenue Fund	-	1,295,649	(72,639)	1,223,010
Capital Projects Fund	-	-	195	195
<b>TOTAL FUND BALANCES</b>	<b>910,277</b>	<b>1,295,649</b>	<b>47,272</b>	<b>2,253,198</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,942,911</b>	<b>\$ 1,643,091</b>	<b>\$ 1,437,164</b>	<b>\$ 6,023,166</b>

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**

**TO THE STATEMENT OF NET ASSETS**

**JUNE 30, 2009**

Total Fund Balances at June 30, 2009 - Governmental Funds		\$	2,253,198
Cost of capital assets at June 30, 2009	\$	20,716,596	
Less: Accumulated depreciation as of June 30, 2009:			
Buildings and improvements		(9,621,028)	
Movable property		<u>(1,189,281)</u>	9,906,287
Long-term liabilities at June 30, 2009:			
Claims liability		(25,000)	
Net post employment benefit obligation		(261,303)	
Compensated absences payable		<u>(562,208)</u>	<u>(848,511)</u>
Total Net Assets at June 30, 2009 - Governmental Activities			<u>\$ 11,310,974</u>

The accompanying notes are an integral part of this statement.



**EAST FELICIANA PARISH SCHOOL BOARD****Clinton, Louisiana****GOVERNMENTAL FUNDS****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****FISCAL YEAR ENDED JUNE 30, 2009**

	<u>General</u>	<u>Operations and Maintenance</u>	<u>Non-major Governmental</u>	<u>Total</u>
<b><u>REVENUES</u></b>				
Local sources:				
Ad valorem taxes	\$ 1,892,114	\$ -	\$ -	\$ 1,892,114
Sales and use tax	1,369,135	1,369,135	-	2,738,270
Earnings on investments	10,806	4,983	1,735	17,523
Other	321,747	-	87,411	409,158
State sources:				
Unrestricted grants-in-aid, MFP	13,674,994	-	25,536	13,700,530
Revenue sharing	75,444	-	-	75,444
Restricted grants-in-aid	51,459	-	762,771	814,229
Federal grants	54,665	-	3,803,567	3,858,232
<b>TOTAL REVENUES</b>	<b>17,450,364</b>	<b>1,374,118</b>	<b>4,681,020</b>	<b>23,505,500</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Instruction:				
Regular education programs	8,372,252	12,107	588,449	8,972,808
Special education programs	1,605,890	-	236,504	1,842,394
Vocational education programs	359,662	-	57,927	417,589
Other education programs	230,415	-	1,293,425	1,523,840
Support:				
Pupil support services	540,038	-	249,005	789,043
Instructional staff services	1,040,572	-	1,262,530	2,303,101
General administration services	656,509	1,466	3,688	661,663
School administration services	1,572,033	-	-	1,572,033
Business and central services	379,771	-	-	379,771
Plant operation and maintenance	2,055,071	71,573	90,000	2,216,644
Transportation	1,488,803	-	-	1,488,802
Food services	224,087	-	1,211,661	1,435,747
Central services	137,244	-	-	137,244
Community services	15,000	-	-	15,000
Facility acquisition and construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>18,677,345</b>	<b>85,146</b>	<b>4,993,189</b>	<b>23,755,677</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,226,981)</b>	<b>1,288,972</b>	<b>(312,169)</b>	<b>(250,178)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	1,390,392	-	-	1,390,392
Transfers out	-	(1,245,899)	(144,493)	(1,390,392)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,390,392</b>	<b>(1,245,899)</b>	<b>(144,493)</b>	<b>-</b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u></b>	<b>163,411</b>	<b>43,073</b>	<b>(456,662)</b>	<b>(250,178)</b>
Fund balances, June 30, 2008	746,866	1,252,576	503,934	2,503,376
<b>FUND BALANCES, JUNE 30, 2009</b>	<b>\$ 910,277</b>	<b>\$ 1,295,649</b>	<b>\$ 47,272</b>	<b>\$ 2,253,198</b>

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED JUNE 30, 2009**

Deficiency of Revenues and Other Financing Sources over Expenditures and Other Uses - Total Governmental Funds		\$ (250,178)
Capital Assets:		
Capital outlay and other expenditures capitalized	\$ 275,944	
Depreciation expense for year ended June 30, 2009	<u>(473,926)</u>	(197,982)
Long Term Debt:		
Net other post employment benefit obligation	(261,303)	
Change in compensated absences liability	<u>(72,845)</u>	<u>(334,148)</u>
Change in Net Assets - Governmental Activities		<u>\$ (782,308)</u>

The accompanying notes are an integral part of this statement

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2009**

	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 908,069
Certificate of deposit	17,167
Sales tax receivable	<u>336,420</u>
 TOTAL ASSETS	 <u>\$ 1,261,656</u>
 <b><u>LIABILITIES</u></b>	
Due to other funds	\$ 299,411
Amounts held for school clubs and activities	323,878
Due to other governments	<u>638,367</u>
 TOTAL LIABILITIES	 <u>\$ 1,261,656</u>

The accompanying notes are an integral part of this statement

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**General Information**

The East Feliciana Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 for the purpose of providing public education for the residents of East Feliciana Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplements to their salaries. The School Board is currently comprised of 12 members who are elected from 7 districts for a term of four years.

The School Board operates 8 schools within the parish with a total enrollment of approximately 2,600 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

**1. Summary of Significant Accounting Policies**

**a. Reporting Entity**

The School Board complies with U.S. Generally Accepted Accounting Principles (GAAP). The School Board's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no *component units*, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship. Certain units of local government, over which the School Board exercises no oversight responsibility, such as the parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the School Board. The School Board is not a component unit of any other entity.

**b. Basis of Presentation**

The School Board's *Basic Financial Statements* consist of the government-wide statements (on all of the non-fiduciary activities) and the fund financial statements (individual major fund, combined non-major funds, and the combined fiduciary funds.) The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental entities.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

b. **Basis of Presentation** (continued)

**Government-Wide Financial Statements**

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all non-fiduciary type activities. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are advances between fiduciary funds and the various functions of the School Board. The government-wide presentation focuses primarily on the sustainability of the School Board as an entity over the long term and the change in aggregate economic position resulting from the activities of the fiscal period.

All programs of the School Board are considered to be *governmental activities* since all of the activities are normally supported by taxes and intergovernmental revenues, rather than fees for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues included in the Statement of Activities are derived from parties outside the School Board's taxpayers or citizenry. As a whole, program revenues reduce the cost of the function to be financed from the taxpayers.

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is considered an indirect expense and is reported separately on the Statement of Activities.

**Fund Financial Statements**

Emphasis of fund financial reporting is on the major funds. Non-major funds (by category) or fund type are summarized into a single column. The major funds of the School Board consist of the General fund and the Operations and Maintenance fund.

The daily accounts and operations of the School Board are organized and maintained on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

**b. Basis of Presentation (continued)**

The funds of the School Board are classified into two broad categories: Governmental and Fiduciary.

**Governmental Fund Types:**

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is on the determination of changes in short-term financial position, rather than upon net income. The following are the School Board's governmental fund types:

General Fund - The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in other funds. The general fund is always considered to be a major fund.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal and state grant programs established for various educational objectives as well as a fund to account for the proceeds of a 1% sales tax dedicated to operations, which is considered to be a major fund.

Debt Service Fund - The Debt Service Fund, established to meet requirements of bond ordinances, is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Capital Projects Fund - The Capital Projects Fund was established to account for capital improvements, including construction of new facilities and renovations.

**Fiduciary Fund Type - Agency Funds:**

Fiduciary funds are used to account for assets held by the School Board in a trustee or agency capacity. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

**c. Basis of Accounting/Measurement Focus**

**Government-Wide Financial Statements (GWFS)**

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year

# **EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **I. Summary of Significant Accounting Policies (continued)**

#### **c. Basis of Accounting\ Measurement Focus (continued)**

##### **Government-Wide Financial Statements (GWFS) (continued)**

for which they are levied. Sales taxes are recognized when the underlying sales transactions occur. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

##### **Fund Financial Statements (FFS)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Agency Fund type is accounted for on a flow of economic resources measurement focus (accrual basis). With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The following paragraphs describe the revenue recognition practices under the modified accrual basis of accounting:

##### **Revenues**

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings, are recorded as earned since they are measurable and available. The Board definition of available generally means expected to be received within sixty days of the end of the fiscal year.

Non-exchange transactions, in which the Board receives value without directly giving value in return, include sales tax, property tax, special assessments, grants, entitlements, and donations. Property taxes are considered measurable in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales taxes and gross receipts business taxes are considered "measurable" when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types. Revenue from grants, entitlements and donations is recognized in the fiscal year

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies** (continued)

**c. Basis of Accounting/Measurement Focus** (continued)

**Revenues** (continued)

in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

**Expenditures**

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine month period but can be paid over a period up to twelve months.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded as a general long-term debt.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Principal and interest on general long-term debt are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred if it is expected to be paid within the next twelve months. Liabilities which will not be liquidated with expendable available financial resources are not recorded in the funds.

**d. Budget Practices**

The proposed budgets for fiscal year 2009 were completed and made available for public inspection at the School Board office. A public hearing was held for suggestions and comments from taxpayers. The proposed fiscal year 2009 budgets were formally adopted by the School Board after the public hearing. The budgets, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds, were made available to the public.

The budgets for the General and Special Revenue Funds were prepared on the modified accrual basis of accounting. Formal budgetary integration is used during the year as a management control device. Any part of appropriations which is not expensed is not automatically reappropriated in the next year.

The School Board is authorized to transfer amounts between line items within any fund. When actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in a public meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies** (continued)

**e. Cash, Cash Equivalents, and Investments**

Under state law, the School Board may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The School Board may invest in United States bonds, notes, bills, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash and cash equivalents include cash on hand and cash on deposit with the fiscal agent bank. These deposits are stated at cost, which approximates fair value. Under state law, the resulting bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The estimated fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

**f. Inventory**

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities provided by the United States Department of Agriculture. The commodities are recorded as revenues and expenditures when consumed. All inventory items purchased are valued at the lower of cost or market (first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

**g. Capital Assets**

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains threshold levels for capitalizing capital assets of \$5,000.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 15 years for equipment, 10 to 20 years for building and land improvements, and 40 years for buildings.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

h. **Annual, Sick and Sabbatical Leave**

All twelve-month employees earn annual leave based on the date of employment in accordance with the following schedule:

<u>Years of Service</u>	<u># of Annual Leave Days</u>
0 – 5	10 days
6 – 15	15 days
16 +	20 days

Annual leave may be accumulated and carried forward as earned up to a maximum of 30 days. Upon retirement or separation of employment, all unused accumulated vacation leave is paid to all eligible employees or to their estates.

All School Board employees earn 8 to 18 days of sick leave each year, which can be accumulated without limitation depending upon length of service with the School Board. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay, and all unused sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for rest and recuperation or for professional and cultural improvement.

Sabbatical leave benefits are recorded as an expenditure of the period in which paid. The cost of leave privileges, computed in accordance with Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

i. **Sales Taxes**

The East Feliciana Parish School Board levies a combined two percent sales and use tax within East Feliciana Parish consisting of:

- A one percent sales and use tax renewed on October 21, 1995 for the ten years beginning June 30, 1998. One-half of the proceeds of this one percent sales tax are dedicated to the payment of teachers' salaries. The remainder of the proceeds is to be used for the operations, including maintenance and improvement, of school buildings and sites of the public schools in East Feliciana Parish. This tax was renewed on July 1, 2008 for a period of ten years.

# **EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Summary of Significant Accounting Policies (continued)**

#### **i. Sales Taxes (continued)**

- An additional one percent sales tax was approved by voters of the Parish on October 17, 1981 and expiring on December 31, 2007. This sales tax was dedicated to capital improvements of the public school system of East Feliciana Parish, to pay any indebtedness incurred in making capital improvements, and to pay maintenance and operational expenses of the School Board. This tax was renewed effective January 1, 2008 for a period of ten years. Ninety-one percent of this tax was dedicated by the School Board for the payment of salary supplements during the year ended June 30, 2009.

The sales tax department of the School Board also collects sales and use taxes levied by the East Feliciana Parish Police Jury. The Police Jury pays the School Board a collection fee that is negotiated annually. The collection and distribution of the sales taxes are accounted for in the Sales Tax Agency Fund.

#### **j. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities to the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **2. Property Taxes**

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish assessor, except for public utility property which is assessed by the Louisiana Tax Commission. The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings be assessed at 10% of "use" value; and all other property be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years. The Sheriff of East Feliciana Parish, as provided by state law, is the official tax collector of property taxes levied by the parish and parish special districts.

Property taxes are recognized as revenue in the fiscal year for which they are levied. State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Tax bills are mailed in November/December. If taxes are not paid by the due date of December 31, they bear interest at one percent per month until paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

# **EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **2. Property Taxes (continued)**

The following is a summary of parish-wide authorized and levied ad-valorem taxes for the year:

	<u>Date of Levy</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes				
Constitutional	September 2002	5.00	3.34	None
School Board Salary	January 2007	17.00	17.00	2016

### **3. Cash**

The School Board's cash and cash equivalents consist entirely of deposits in local financial institutions. At year end, the carrying amount of the School Board's deposits was \$3,363,053 and the bank balance was \$5,069,255. The deposits were not subject to custodial credit risk.

### **4. Due From/To Other Funds**

Individual balances due from/to other funds at year end are as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund / Clearing account funds	\$ 1,982,628	\$ -
Operations and Maintenance	-	347,442
Non-major Governmental Funds	2,589	1,338,364
Agency Fund – Sales Tax Collections	-	299,411
Total	<u>\$ 1,985,217</u>	<u>\$ 1,985,217</u>

Balances are a result of advances made by the general fund for expenditures of the federal grant programs, and sales tax collections owed to the general fund from the tax collection agency fund.

### **5. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2009 are as follows:

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Construction in Process</u>	<u>Total</u>
Cost at June 30, 2008	\$ 1,199,768	\$ 17,789,225	\$ 1,418,609	\$ 33,050	\$ 20,440,652
Additions	-	257,807	18,137	-	275,944
Deletions	( - )	( - )	( - )	( - )	( - )
Cost at June 30, 2009	<u>1,199,768</u>	<u>18,047,032</u>	<u>1,436,746</u>	<u>33,050</u>	<u>20,716,596</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. Capital Assets (continued)**

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Construction in Process</u>	<u>Total</u>
Accumulated depreciation, June 30, 2008	-	( 9,205,411)	( 1,130,972)	-	( 10,336,383)
Additions	-	( 415,617)	( 58,309)	-	( 473,926)
Deletions	-	-	-	-	-
Accumulated depreciation, June 30, 2009	-	( 9,621,028)	( 1,189,281)	-	( 10,810,309)
Capital assets, net of accumulated depreciation, at June 30, 2009	<u>\$ 1,199,768</u>	<u>\$ 8,426,004</u>	<u>\$ 247,465</u>	<u>\$ 33,050</u>	<u>\$ 9,906,287</u>

**6. General Long-term Debt**

The following is a summary of the changes in general long-term debt for the year ended June 30, 2009:

	<u>Balance 6/30/08</u>	<u>Additions (Reductions)</u>	<u>Net Adjustments and payments</u>	<u>Balance 6/30/09</u>
Claims and assessments	\$ 25,000	\$ -	\$ -	\$ 25,000
Compensated absences	489,364	72,844	-	562,208
Net other postemployment Benefit obligation	-	261,303	-	261,303
Total	<u>\$ 514,364</u>	<u>\$ 334,147</u>	<u>\$ -</u>	<u>\$ 848,511</u>

In accordance with LSA-R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the net assessed value of taxable property. At June 30, 2009, the net assessed value of taxable property for the parish was \$97,945,500, which would result in a \$34,280,925 long-term bonded debt limit.

**7. Operating Lease**

The School Board leases school buses through a lease arrangement which qualifies as an operating lease. Lease payments in the amount of \$105,500 are scheduled annually over a 5 year period ending September 30, 2010.

Minimum future lease payments under non-cancellable lease agreements in effect at June 30, 2009, are as follows:

<u>Year ended June 30,</u>	<u>Total</u>
2010	\$ 105,500
2011	26,375
	<u>\$ 131,875</u>

## **EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **7. Operating Lease (continued)**

In addition, the School Board contracts with individual bus owners on an annual basis for a period of one school year. The School Board had 15 operating lease agreements for the use of privately owned busses with various individual bus owners for the year ended June 30, 2009. Lease payments total \$1,000 per month for each operating lease agreement totaling approximately \$135,000 for the school year.

#### **8. Retirement Systems**

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

##### **a. Teachers' Retirement System of Louisiana (TRS)**

*Plan Description.* The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

*Funding Policy.* Plan members are required to contribute 8.0 percent, 9.1 percent, and 5.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 15.5% of annual covered payroll for all three membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee.

The School Board's contributions to the TRS for the years ended June 30, 2009, 2008, and 2007, were \$1,684,696, \$1,982,091, \$1,636,881, respectively, equal to the required contributions for each year.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**8. Retirement Systems** (continued)

b. Louisiana School Employees' Retirement System (LSERS)

*Plan Description.* The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

*Funding Policy.* Plan members are required to contribute 7.5 percent of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The actuarially determined obligation for the School Board was 17.8% for the year ended June 30, 2009. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee.

The School Board's contributions to the LSERS for the years ended June 30, 2009, 2008, and 2007 were \$224,268, \$224,050, \$188,774, respectively.

**9. Post-employment Health Care Benefits**

Effective with the Fiscal Year beginning July 1, 2008, East Feliciana Parish School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45).

**Plan Description.** The East Feliciana Parish School Board's medical benefits are provided through the Louisiana Office of Group Benefits and are made available to employees upon actual retirement.

The Louisiana Office of Group Benefits (OGB) involves several statewide networks and one HMO with a premium structure by region. The plan provisions are contained in the official plan documents of the OGB, available at [www.groupbenefits.org](http://www.groupbenefits.org) - "Quick Links" - "Health Plans". The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB 45) for financial reporting purposes and for this valuation. The OGB "Medicare Advantage" plan has been assumed as an alternative to those employees after Medicare eligibility for purposes of this valuation, and we have assumed that 50% of post-Medicare eligibility retirees elect that plan. Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service. The remainder of employees are covered by the Louisiana School Employees' Retirement System (LSER) whose retirement (D.R.O.P. entry) eligibility provisions are the same as TRSL except that they are also eligible to retire at age 60 and 10 years of service.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**9. Post-employment Health Care Benefits (continued)**

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.96 per \$1,000 of insurance. The employer pays 50% of the "cost" of the retiree life insurance, but based on the blended rates. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

**Contribution Rates.** Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Funding Policy.** Until 2008, the East Feliciana Parish School Board recognized the cost of providing post-employment medical and life benefits (East Feliciana Parish School Board's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and financed the cost of the post-employment benefits on a pay-as-you-go basis. With the adoption of GASB 45, the East Feliciana Parish School Board still pays the benefits on a pay as you go basis; however, the cost of benefits earned is determined actuarially and expensed as earned, regardless of when the benefit is paid. The health care plan funding cost paid (contributed) for retired employees totaled \$783,111, and the life insurance totaled \$32,598.

**Annual Required Contribution.** East Feliciana Parish School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution needed to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2008 is \$1,021,665 for medical, and \$55,347 for life, as set forth below:

	<u>Medical</u>		<u>Life</u>		<u>Total</u>
Normal Cost	\$ 283,453	\$	6,278	\$	289,731
30-year UAL amortization amount	738,212		49,069		787,281
Annual required contribution (ARC)	\$ <u>1,021,665</u>	\$	<u>55,347</u>	\$	<u>1,077,012</u>



**EAST FELICIANA PARISH SCHOOL BOARD****Clinton, Louisiana****NOTES TO THE FINANCIAL STATEMENTS****9. Post-employment Health Care Benefits (continued)**

**Net Post-employment Benefit Obligation.** The table below shows East Feliciana Parish School Board's Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending June 30, 2009:

	Medical	Life	Total
Beginning Net OPEB Obligation 7/1/2008	\$ -	\$ -	\$ -
Annual required contribution	1,021,665	55,347	1,077,012
Interest on Net OPEB Obligation	-	-	-
ARC Adjustment	-	-	-
OPEB Cost	1,021,665	55,347	1,077,012
Current year retiree premium (contributions)	(783,111)	( 32,598)	( 815,709)
Change in Net OPEB Obligation	238,554	22,749	261,303
Ending Net OPEB Obligation 6/30/2009	<u>\$238,554</u>	<u>\$22,749</u>	<u>\$ 261,303</u>

The following table shows East Feliciana Parish School Board's annual post employment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (OPEB) liability (asset):

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical	June 30, 2009	\$1,021,665	76.65%	\$238,554
Life	June 30, 2009	\$55,347	58.9%	\$22,749

**Funded Status and Funding Progress.** In the fiscal year ending June 30, 2009, East Feliciana Parish School Board made no contributions to its post employment benefits plan other than payment of retiree premiums. The plan was not funded at all, has no assets set aside in an irrevocable trust, and hence has a funded ratio of zero. As of July 1, 2008, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$12,765,003 (medical) and \$848,570 (life), which is defined as that portion, as determined by a particular actuarial cost method (East Feliciana Parish School Board uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2008/2009, the entire actuarial accrued liability of \$12,765,003 (medical) and \$848,570 (life) was unfunded.

	Medical	Life
Actuarial Accrued Liability (AAL)	\$ 12,765,003	\$ 848,570
Actuarial Value of Plan Assets	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>12,765,003</u>	<u>848,570</u>
Funded Ratio (Act. Val. Assets/AAL)	0%	0%
Covered Payroll (active plan members)	\$ 8,883,192	\$ 8,883,192
UAAL as a percentage of covered payroll	14.4%	10%

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**9. Post-employment Health Care Benefits (continued)**

**Actuarial Methods and Assumptions.** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by East Feliciana Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between East Feliciana Parish School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between East Feliciana Parish School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method.** The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

**Actuarial Value of Plan Assets.** Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

**Turnover Rate.** An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	20.0%
26 - 40	12.0%
41 - 54	8.0%
55+	6.0%

## **EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **9. Post-employment Health Care Benefits (continued)**

**Post employment Benefit Plan Eligibility Requirements.** It is assumed that entitlement to benefits will commence six years after earliest eligibility to enter the D.R.O.P. as described on the first page of this letter under the heading "Plan Description". This consists of a three year D.R.O.P. period plus an additional three year delay. Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service. The remainder of employees is covered by the Louisiana School Employees' Retirement System (LSER) whose retirement (D.R.O.P. entry) eligibility provisions are the same as TRSL except that they are also eligible to retire at age 60 and 10 years of service. Entitlement to benefits continues through Medicare to death.

**Investment Return Assumption (Discount Rate).** GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

**Health Care Cost Trend Rate.** The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2009 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Zero trend has been assumed for valuing life insurance.

**Mortality Rate.** The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

**Method of Determining Value of Benefits.** The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The "State Share" premiums in the OGB medical rate schedule provided are "unblended" rates for active and retired as required by GASB 45 and have been used for valuation purposes.

# **EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **10. Interfund Transfers**

Interfund transfers for the year ended June 30, 2009, were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 1,390,392	\$ -
Operations and Maintenance	-	1,245,899
Non-Major	-	144,493
	<u>\$ 1,390,392</u>	<u>\$ 1,390,392</u>

Transfers between funds generally consist of two types: 1) Transfers to the general fund from the federal grant funds for indirect cost reimbursements; 2) Transfers from the operations and maintenance fund to the general fund for salary supplements.

### **11. Litigation, Claims and Contingencies**

The School Board is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Board's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the School Board. However, a liability of \$25,000 equal to the insurance policy deductible is recorded as a long-term liability in the statement of net assets to cover any contingent losses.

The School Board participates in a number of federally assisted grant programs. These programs are audited in accordance with the OMB Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations". Additionally, these programs are subject to state and federal monitoring examinations which could result in disallowed costs having to be returned to the granting agency. Management believes that further examinations would not result in material disallowed costs.

### **12. Changes in Agency Funds**

A summary of the changes in agency funds (amounts due others) due to taxing authorities and amounts due others for school activity accounts follows:

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
Balance at June 30, 2008	\$ 314,248	\$ 1,076,603	\$ 1,390,851
Additions	700,787	7,036,594	7,737,381
Reductions	( 691,157)	( 7,175,419)	( 7,866,576)
Balance at June 30, 2009	<u>\$ 323,878</u>	<u>\$ 937,778</u>	<u>\$ 1,261,656</u>

### **13. Current Operating Environment**

The School Board's general fund has operated at either a deficit at a break-even level for three consecutive fiscal years. This has resulted in a depletion of the accumulated general fund balance. The School Board is continually monitoring its financial position and formulating strategies to allow the system to operate within available financial resources.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**14. Actual Revenues under Budgeted Projections**

The Operations and Maintenance Fund's actual revenues did not meet budgeted projections for the year ended June 30, 2009:

Total Revenues – Actual	\$ 1,374,418
Total Revenues – Budgeted	<u>1,635,000</u>
Amount under Budget	\$ 260,582

**15. Deficit Fund Balance**

The School Food Service Fund has a deficit fund balance of \$106,052 as of June 30, 2009 that has resulted from food service program expenditures exceeding program revenues for the past two fiscal years. If adjustments are not made to reverse this trend, this deficit fund balance may ultimately need to be covered through transfers from the general fund.

**SUPPLEMENTARY INFORMATION**  
**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**BUDGETARY COMPARISON SCHEDULES**  
**MAJOR FUND DESCRIPTIONS**  
**JUNE 30, 2009**

Budgetary comparison schedules are reported for the following general and special revenue funds:

**General Fund**

The General Fund accounts for all financial transactions except those required to be accounted for in another fund.

**Operations and Maintenance Fund**

The Operations and Maintenance Fund (formerly the Sales Tax Debt Service Fund) accounts for the proceeds of the one cent sales tax approved by the voters on October 17, 1981 and expiring on December 31, 2007. The original debt associated with this tax has been retired; however, the voter referendum allows for a broader use of the proceeds, beyond payment of debt. In recent years, the School Board has used the proceeds to fund salary supplements and capital improvements. In October 2005, the voters of East Feliciana Parish approved the continuation of this 1% sales tax for a period of ten years, commencing on January 1, 2008. The tax has been internally rededicated and used as follows:

- 91% is to be used for the purpose of paying salaries and benefits for all employees of the School System
- 9%, for maintaining and operating public schools in East Feliciana Parish.

**EAST FELICIANA PARISH SCHOOL BOARD****Clinton, Louisiana****GENERAL FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Ad-valorem	\$ 1,730,000	1,880,000	\$ 1,892,114	\$ 12,114
Sales and use	1,350,000	1,600,000	1,369,135	(230,865)
Earnings on investments	30,500	4,500	10,806	6,306
Other	183,500	297,250	321,747	24,497
State sources:				
Unrestricted grants-in-aid	13,250,500	13,776,100	13,674,994	(101,106)
Revenue sharing	69,500	69,500	75,444	5,944
Restricted grants-in-aid	2,500	-	51,459	51,459
Federal sources:				
Grants-in-aid	90,000	110,000	54,665	(55,335)
Total revenues	<u>16,706,500</u>	<u>17,737,350</u>	<u>17,450,364</u>	<u>(286,986)</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	8,308,925	8,609,325	8,372,252	(237,073)
Special education programs	1,775,440	1,603,190	1,605,890	2,700
Vocational education programs	355,700	352,300	359,662	7,362
Other education programs	214,370	271,500	230,415	(41,085)
Support services:				
Pupil support services	631,305	557,205	540,038	(17,167)
Instructional staff services	973,275	1,037,525	1,040,572	3,047
General administration services	688,080	702,880	656,509	(46,371)
School administration services	1,124,570	1,478,170	1,572,033	93,863
Business administration services	270,200	369,200	379,771	10,571
Plant operation and maintenance	1,887,715	1,983,015	2,055,071	72,056
Transportation	1,270,090	1,484,640	1,488,803	4,163
Food services	148,225	185,800	224,087	38,287
Central services	115,930	129,430	137,244	7,814
Community services	15,000	18,000	15,000	(3,000)
Capital outlay:				
Facilities acquisition and construction	250,000	-	-	-
Total expenditures	<u>18,028,825</u>	<u>18,782,180</u>	<u>18,677,345</u>	<u>(104,835)</u>
Deficiency of revenues over expenditures	\$ <u>(1,322,325)</u>	\$ <u>(1,044,830)</u>	\$ <u>(1,226,981)</u>	\$ <u>(182,151)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE**

**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Other financing sources (uses):</u></b>				
Transfers of Indirect Costs	\$ 117,015	113,155	\$ -	\$ (113,155)
Operating transfers in	1,478,500	1,478,500	1,390,392	(88,108)
Operating transfers out	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>	<u>70,000</u>
Total other financing sources (uses)	<u>1,525,515</u>	<u>1,521,655</u>	<u>1,390,392</u>	<u>(131,263)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	203,190	476,825	163,411	(313,414)
Fund balances, June 30, 2008	<u>1,121,028</u>	<u>746,866</u>	<u>746,866</u>	<u>-</u>
FUND BALANCES, JUNE 30, 2009	<u>\$ 1,324,218</u>	<u>\$ 1,223,691</u>	<u>\$ 910,277</u>	<u>\$ (313,414)</u>



**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**OPERATIONS AND MAINTENANCE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Sales and use	\$ 1,350,000	\$ 1,600,000	\$ 1,369,135	\$ (230,865)
Earnings on investments	35,000	35,000	4,983	(30,017)
Total revenues	<u>1,385,000</u>	<u>1,635,000</u>	<u>1,374,118</u>	<u>(260,882)</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	3,500	15,500	12,107	3,393
Support services:				
General administration services	-	-	1,466	(1,466)
Plant operation and maintenance	100,000	100,000	71,573	28,427
Capital Outlay				
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>103,500</u>	<u>115,500</u>	<u>85,146</u>	<u>30,354</u>
Excess of revenues over expenditures	<u>1,281,500</u>	<u>1,519,500</u>	<u>1,288,972</u>	<u>(230,528)</u>
<b><u>Other financing uses:</u></b>				
Operating transfers out	<u>(1,478,500)</u>	<u>(1,478,500)</u>	<u>(1,245,899)</u>	<u>232,601</u>
Total other financing uses	<u>(1,478,500)</u>	<u>(1,478,500)</u>	<u>(1,245,899)</u>	<u>232,601</u>
Deficiency of revenues and other financing sources over (under) expenditures and other financing uses	(197,000)	41,000	43,073	2,073
Fund balances, June 30, 2008	<u>1,675,458</u>	<u>1,252,576</u>	<u>1,252,576</u>	<u>-</u>
FUND BALANCES, JUNE 30, 2009	<u>\$ 1,478,458</u>	<u>\$ 1,293,576</u>	<u>\$ 1,295,649</u>	<u>\$ 2,073</u>

## **SUPPLEMENTAL INFORMATION**

## **EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

### **NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS**

**JUNE 30, 2009**

#### **No Child Left Behind (NCLB) Funds -- Title I, Title II, and Title V**

The No Child Left Behind Act (NCLB) funds account for an array of federally funded programs aimed at improving low achieving schools with emphasis on at-risk students. These programs are overseen by the Louisiana Department of Education.

#### **Individuals with Disabilities Education Act (IDEA) Funds**

This Special Revenue Fund accounts for those expenditures related to providing children with disabilities special education and related services designed to meet their unique needs.

#### **Temporary Assistance to Needy Families (TANF) Funds**

This Special Revenue Fund accounts for those expenditures related to providing assistance to needy families with children to reduce and prevent out of wedlock pregnancies.

#### **Vocational Education**

This Special Revenue Fund accounts for those expenditures related to the support of vocational education programs at the secondary level.

#### **Safe Drug-Free Schools and Communities Greatest Needs (Drug Free)**

This Special Revenue Fund accounts for those expenditures related to offering a disciplined environment conducive to learning by preventing violence in and around schools.

#### **21<sup>st</sup> Century Community Learning Centers (21<sup>st</sup> Century)**

This Special Revenue Fund accounts for those expenditures related to the operation of a community learning center during after-school hours to expand the academic enrichment opportunities for the children attending these centers.

#### **Other Federal Funds**

This Special Revenue Fund accounts for the federal awards not included in the Federal Funds described above.

#### **State Grants**

This Special Revenue Fund accounts for the various State awards including 8(G), Lincs, Millinium Trust Fund and other awards.

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS** (continued)

**JUNE 30, 2009**

**School Food Service Fund**

The School Food Service Fund is used to account for the operations of the school food service program. The purposes of the school food service program are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults. The program is subsidized by grants from the U.S. Department of Agriculture and the Louisiana Department of Education.

**Consolidated School District No. 1 Debt Service Funds**

The Consolidated School District No. 1 Debt Service Fund was initially established to account for ad valorem taxes collected for debt service of a \$5,445,000 bond issue. Although the bonds for which these monies were accumulated to pay have been retired, the residual funds continue to be accounted for in the debt service fund.

**Capital Projects Funds**

These funds account for various major capital improvements.

**EAST FELICIANA PARISH SCHOOL BOARD****Clinton, Louisiana****COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS****JUNE 30, 2009**

	Special Revenue					
	Title I	Title II	Title V	IDEA	TANF	Vocational Education
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-
Due from other governments	256,066	96,555	972	177,105	122,360	19,239
Inventory	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 256,066</b>	<b>\$ 96,555</b>	<b>\$ 972</b>	<b>\$ 177,105</b>	<b>\$ 122,360</b>	<b>\$ 19,239</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
Liabilities:						
Accounts payable	\$ 12,126	\$ -	\$ -	\$ 18,732	\$ -	\$ -
Due to other funds	239,870	96,555	972	158,373	56,785	19,239
<b>TOTAL LIABILITIES</b>	<b>251,996</b>	<b>96,555</b>	<b>972</b>	<b>177,105</b>	<b>56,785</b>	<b>19,239</b>
Fund balances:						
Reserved for inventory	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-
Unreserved, reported in:						
Special Revenue Fund	4,070	-	-	-	65,575	-
Capital Projects Fund	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>4,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,575</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 256,066</b>	<b>\$ 96,555</b>	<b>\$ 972</b>	<b>\$ 177,105</b>	<b>\$ 122,360</b>	<b>\$ 19,239</b>

Special Revenue							
Drug Free	21st Century	Other Federal Funds	State Grants	School Food Service	Debt Service	Capital Projects	Total
\$ -	\$ -	\$ -	\$ -	\$ 111,201	\$ 81,090	\$ -	\$ 192,291
-	-	-	-	-	2,394	195	2,589
5,139	160,419	14,020	354,177	-	-	-	1,206,052
-	-	-	-	36,232	-	-	36,232
<u>\$ 5,139</u>	<u>\$ 160,419</u>	<u>\$ 14,020</u>	<u>\$ 354,177</u>	<u>\$ 147,433</u>	<u>\$ 83,484</u>	<u>\$ 195</u>	<u>\$ 1,437,164</u>
\$ -	\$ 2,470	\$ 116	\$ 18,084	\$ -	\$ -	\$ -	\$ 51,528
5,139	157,949	13,904	336,093	253,485	-	-	1,338,364
5,139	160,419	14,020	354,177	253,485	-	-	1,389,892
-	-	-	-	36,232	-	-	36,232
-	-	-	-	-	83,484	-	83,484
-	-	-	-	(142,284)	-	-	(72,639)
-	-	-	-	-	-	195	195
-	-	-	-	(106,052)	83,484	195	47,272
<u>\$ 5,139</u>	<u>\$ 160,419</u>	<u>\$ 14,020</u>	<u>\$ 354,177</u>	<u>\$ 147,433</u>	<u>\$ 83,484</u>	<u>\$ 195</u>	<u>\$ 1,437,164</u>

**EAST FELICIANA PARISH SCHOOL BOARD****Clinton, Louisiana****GOVERNMENTAL FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS****FISCAL YEAR ENDED JUNE 30, 2009**

	Special Revenue					Vocational Ed
	Title I	Title II	Title V	IDEA	TANF	
<b><u>REVENUES</u></b>						
Local sources:						
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues	-	-	-	-	-	-
State sources:						
Unrestricted grants-in-aid, MFP	-	-	-	-	-	-
Restricted grants-in-aid	-	-	-	-	-	-
Federal grants	1,066,044	266,467	1,671	627,648	207,942	47,673
<b>TOTAL REVENUES</b>	<b>1,066,044</b>	<b>266,467</b>	<b>1,671</b>	<b>627,648</b>	<b>207,942</b>	<b>47,673</b>
<b><u>EXPENDITURES</u></b>						
Current:						
Instruction:						
Regular education programs	11,414	21,788	-	19,789	788	-
Special education programs	-	-	-	235,608	-	-
Vocational education programs	-	-	-	-	-	47,666
Other education programs	813,178	12,669	9	30,480	214,606	-
Support:						
Pupil support services	-	-	-	235,218	-	-
Instructional staff services	179,585	216,446	1,564	74,908	1,310	-
General administration services	198	-	-	-	-	-
School administration services	-	-	-	-	-	-
Plant operation and maintenance	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Food services	-	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,004,375</b>	<b>250,903</b>	<b>1,573</b>	<b>596,003</b>	<b>216,704</b>	<b>47,666</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 61,669</b>	<b>\$ 15,564</b>	<b>\$ 98</b>	<b>\$ 31,645</b>	<b>\$ (8,762)</b>	<b>\$ 7</b>

Special Revenue							Total Non-Major Governmental
Drug Free	21st Century	Other Federal Funds	State Grants	School Food Service	Debt Service	Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ 820	\$ 876	\$ 39	\$ 1,735
-	442	443	-	86,526	-	-	87,411
-	-	-	-	25,536	-	-	25,536
-	-	-	762,771	-	-	-	762,771
14,016	534,093	151,431	-	886,582	-	-	3,803,567
14,016	534,535	151,874	762,771	999,464	876	39	4,681,020
-	-	69,589	398,081	-	67,000	-	588,449
-	-	107	789	-	-	-	236,504
-	-	-	10,261	-	-	-	57,927
-	129,231	19,840	73,412	-	-	-	1,293,425
13,787	-	-	-	-	-	-	249,005
-	362,877	59,088	365,675	1,077	-	-	1,262,530
-	190	-	-	3,300	-	-	3,688
-	-	-	-	-	-	-	-
-	-	-	-	-	79,619	10,381	90,000
-	-	-	-	-	-	-	-
-	1,125	-	-	1,210,536	-	-	1,211,661
-	-	-	-	-	-	-	-
13,787	493,423	148,624	848,218	1,214,913	146,619	10,381	4,993,189
\$ 229	\$ 41,112	\$ 3,250	\$ (85,447)	\$ (215,449)	\$ (145,743)	\$ (10,342)	\$ (312,169)

(continued)



**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**

**CHANGES IN FUND BALANCES - NON-MAJOR FUNDS**

**FISCAL YEAR ENDED JUNE 30, 2009**

	Special Revenue					
	Title I	Title II	Title V	IDEA	TANF	Vocational Education
<b><u>OTHER FINANCING (USES)</u></b>						
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers out	(61,549)	(15,564)	(98)	(32,042)	-	-
<b>TOTAL OTHER FINANCING (USES)</b>	<b>(61,549)</b>	<b>(15,564)</b>	<b>(98)</b>	<b>(32,042)</b>	<b>-</b>	<b>-</b>
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u></b>	120	-	-	(397)	(8,762)	7
Fund balances, June 30, 2008	3,950	-	-	397	74,337	(7)
<b>FUND BALANCES, JUNE 30, 2009</b>	<b>\$ 4,070</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,575</b>	<b>\$ -</b>

Special Revenue							Total Other Governmental
Drug Free	21st Century	Other Federal Funds	State Grants	School Food Service	Debt Service	Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(229)	(31,438)	(3,573)	-	-	-	-	(144,493)
(229)	(31,438)	(3,573)	-	-	-	-	(144,493)
-	9,674	(323)	(85,447)	(215,449)	(145,743)	(10,342)	(456,662)
-	(9,674)	323	85,447	109,397	229,227	10,537	503,934
\$ -	\$ -	\$ -	\$ -	\$ (106,052)	\$ 83,484	\$ 195	\$ 47,272
							(concluded)

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**FIDUCIARY FUND TYPE – DESCRIPTIONS**

**JUNE 30, 2009**

**AGENCY FUNDS**

**Sales Tax Fund**

Collection, custodianship and disbursement of sales taxes for the entire parish are accounted for in this fund. The sales taxes consist of a two percent sales and use tax levied by the School Board and a two percent sales and use tax levied by the East Feliciana Parish Police Jury. Since these taxes are remitted to the beneficiary government (including the School Board's General Fund and Operations and Maintenance Fund), this fund is considered to be a collection agent.

**School Activity Funds**

The activities of the various school accounts are accounted for in the School Activity Funds. While the funds are under the supervision of the School Board, these funds belong to the individual schools or their student bodies and are not available for use in operations.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**COMBINING BALANCE SHEET - AGENCY FUNDS**  
**JUNE 30, 2009**

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 306,711	\$ 601,358	\$ 908,069
Certificates of deposit	17,167	-	17,167
Sales tax receivable	<u>-</u>	<u>336,420</u>	<u>336,420</u>
Total assets	<u><u>323,878</u></u>	<u><u>937,778</u></u>	<u><u>1,261,656</u></u>
<b><u>LIABILITIES</u></b>			
Due to other funds	-	299,411	299,411
Amounts held for school clubs and activities	323,878	-	323,878
Due to other governments	<u>-</u>	<u>638,367</u>	<u>638,367</u>
Total liabilities	<u><u>\$ 323,878</u></u>	<u><u>\$ 937,778</u></u>	<u><u>\$ 1,261,656</u></u>

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS**

**FOR THE YEAR ENDED JUNE 30, 2009**

Clay Barksdale	\$ 6,500
Micheal Bradford	6,600
Edward Brooks	2,950
Beth Dawson	6,600
Leon Franklin	6,550
Mitch Harrell	6,400
Henry Howell	6,450
Willie Jackson	6,550
Curtis Jelks	7,200
Matthew Peterson	3,800
Anthony Rouchon	6,550
Richard Terrell	6,500
Henry Wicker	2,750
Oliver Wingfield	<u>3,850</u>
	<u>\$ 79,250</u>

**REPORTS ON COMPLIANCE AND**  
**INTERNAL CONTROL**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

East Feliciana Parish School Board  
Clinton, Louisiana

We have audited the basic financial statements of the East Feliciana Parish School Board as of and for the year ended June 30, 2009, and have issued our report thereon dated December 19, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the East Feliciana Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the effectiveness of the East Feliciana Parish School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the East Feliciana Parish School Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their designed functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the East Feliciana Parish School Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the East Feliciana Parish School Board's financial statements that is more than inconsequential will not be prevented or detected by the East Feliciana Parish School Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the East Feliciana Parish School Board's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any material weaknesses as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the East Feliciana Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2009-1.

We noted certain matters that we reported to management of the East Feliciana Parish School Board, in a separate letter dated December 19, 2009.

The East Feliciana Parish School Board's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the East Feliciana Parish School Board's responses and, accordingly, we express no opinion on them.

This report is intended for the information of the East Feliciana Parish School Board, management, federal and state awarding agencies and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite + Netterville*

Baton Rouge, Louisiana  
December 19, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

East Feliciana Parish School Board  
Clinton, Louisiana

**Compliance**

We have audited the compliance of the East Feliciana Parish School Board with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The East Feliciana Parish School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the East Feliciana Parish School Board's management. Our responsibility is to express an opinion on the East Feliciana Parish School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the East Feliciana Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the East Feliciana Parish School Board's compliance with those requirements.

In our opinion, the East Feliciana Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-2 and 2009-3.

**Internal Control Over Compliance**

The management of the East Feliciana Parish School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the East Feliciana Parish School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the East Feliciana Parish School Board's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a *significant deficiency*, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the School Board's internal control. We did not identify any material weaknesses in the internal control over compliance.

The East Feliciana Parish School Board's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the East Feliciana Parish School Board's responses and, accordingly, we express no opinion on them.

#### **Schedule of Federal Awards**

We have audited the basic financial statements of the East Feliciana Parish School Board as of and for the year ended June 30, 2009, and have issued our report thereon dated December 19, 2009. Our audit was performed for the purpose of expressing an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of, the East Feliciana Parish School Board, management, federal and state awarding agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite + Netterville*

Baton Rouge, Louisiana  
December 19, 2009

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass-Through Grantor/ Program Name	Grant Number	CFDA Number	Expenditures
<b><u>UNITED STATES DEPARTMENT OF AGRICULTURE</u></b>			
Pass-through program from Louisiana Department of Education:			
National School Lunch Program	N/A	10.555	\$ 601,333
School Breakfast Program	N/A	10.553	208,878
Food Distribution Program (Food Commodities)	N/A	10.565	76,371
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE			<u>886,582</u>
<b><u>UNITED STATES DEPARTMENT OF EDUCATION</u></b>			
Pass-through program from Louisiana Department of Education:			
Title I Grants to Local Education Agencies	08-T1-19	84.010	188
Title I Grants to Local Education Agencies	09-T1-19	84.010	1,065,856
Title II - Improving Teacher Quality	09-50-19	84.367	266,467
Special Education - Grant to States	08-B1-19	84.027	622,215
Special Education - Grant to States	09-B1-19	84.027	3,569
Special Education - Preschool Grants	09-P1-19	84.173	1,864
Safe Drug-Free Schools and Communities Greatest Needs	09-70-19	84.186	14,016
Enhancing Education through technology	08-49-18	84.318	13,578
Enhancing Education through technology	09-49-18	84.318	75,513
Vocational Education - Basic Secondary	08-02-19	84.048	3,451
Vocational Education - Basic Secondary	09-02-19	84.048	44,222
Innovative Education Programs	09-80-19	84.298	1,671
Education for the Homeless	09-HI-192	84.196	57,009
21st Century Learning Centers	09-TC-19	84.287	534,093
Mathematics and Science	09-MS-19	84.366	5,331
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			<u>2,709,043</u>
<b><u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Pass-through program from Louisiana Department of Education			
Office of Student Standards and Assessments			
Temporary Assistance for Needy Families - LA 4 Preschool	08-SP-19	93.558	207,942
<b><u>UNITED STATES ARMY</u></b>			
Direct Funding:			
R.O.T.C.	N/A	N/A	54,665
Total Expenditures of Federal Awards			\$ <u>3,858,232</u>

See the accompanying notes to the schedule of expenditures of federal awards

**EAST FELICIANA PARISH SCHOOL BOARD**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of East Feliciana Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B – FOOD DISTRIBUTION**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2009, the organization had food commodities totaling \$36,232 in inventory. The value of commodities received and used during the period ended June 30, 2009 totaled \$76,371 and \$66,833 respectively.

**NOTE C - RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS**

The expenditures listed in the accompanying schedule are reported in the following funds in the East Feliciana Parish School Board's June 30, 2009 basic financial statements and combining schedules.

General Fund	\$ 54,665
Federal NCLB - Title I Funds	1,066,044
Federal NCLB - Title II Funds	266,467
Federal NCLB - Title V Funds (Innovative Ed)	1,671
Federal IDEA Funds	627,648
Temporary Assistance for Needy Families (TANF)	207,942
Vocational Education	47,673
Safe Drug-Free Schools	14,016
Twenty-First Century Learning Centers	534,093
Other Federal Funds	151,431
School Food Service Fund	<u>886,582</u>
	<u>\$ 3,858,232</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2009**

**A. Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unqualified

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      x   no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?   x   yes    \_\_\_\_\_ no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553-10.555; 10.565	National School Lunch/Breakfast Program
84.287	Twenty-First Century Community Learning Centers
84.027	Special Education – IDEA Part B

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.
- The East Feliciana Parish School Board qualified as a low-risk auditee.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**B. Findings - Financial Statement Audit**

**2009 - 1**      **Budget Law Violation**

- Criteria: LA Revised Statute 39:1310 requires governments to amend general and special revenue fund budgets when actual expenditures plus expected expenditures exceed budgeted amounts by 5% or more or when actual revenues plus expected revenues will fall short of budgeted amounts by 5% or more.
- Condition: The School Board's Operation and Maintenance Fund actual revenues did not meet budgeted projections by 16%.
- Effect: The School Board is in violation of LA Revised Statute 39:1310.
- Recommendation: We recommend that all funds adhere to the adopted budget and monitor compliance. When it becomes apparent that expenditures exceed the budget by 5% or more, or when revenues fall short by 5% or more, the budget should be brought before the Board for amendment.

***View of Responsible Official and Planned Corrective Action:***

*Budget law –This matter resulted from an error made during the budget process for projecting anticipated sales tax collections. Management reviews actual performance to the operating budget on an on-going basis. As a result, management does not anticipate a similar instance in the future and considers current budget practices to be sufficient in managing financial related matters.*

**C. Findings – Major Federal Award Programs**

*CFDA #10.555 National School Lunch Program*

**2009 - 2**      **Procurement**

- Criteria: Under the compliance criteria set forth for procurement of equipment with federal funds, the same State policies and procedures used for procurements from non-federal funds shall be used. LA Revised Statute 38:2212.1 requires the advertisement and letting of lowest responsible bidder for the purchase of materials and supplies in excess of \$20,000 paid out of public funds.
- Condition(s): The School Board purchased produce from one vendor without submitting this purchase to the bid process when there are other produce vendors within the area.
- Effect: The School Board is out of compliance with the statute referenced to above. As a result, the School Board may not be receiving the lowest price for its goods and services.
- Questioned Costs: The difference between bid price (no bid) and the price paid for the produce. That cost is undetermined.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**C. Findings – Major Federal Award Programs (continued)**

*CFDA #10.555 National School Lunch Program (continued)*

**2009 - 2      Procurement (continued)**

**Recommendation:** All purchases in excess of \$20,000 should be bid in accordance with the above statute.

***View of Responsible Official and Planned Corrective Action:***

*Procurement – Management plans to publicly advertise for the procurement of produce relating to the School Lunch Program during 2010 and comply with the public bid law.*

*CFDA # 84.027 Special Education IDEA Part B*

**2009 - 3      Procurement**

**Criteria:** Under the compliance criteria set forth for procurement of equipment with federal funds, the same State policies and procedures used for procurements from non-federal funds shall be used. LA Revised Statute 38:2212.1 (state bid law) requires the advertisement and letting of lowest responsible bidder for the purchase of materials and supplies in excess of \$20,000 paid out of public funds. Purchases of software can satisfy the state bid law by undergoing an RFP process.

**Condition:** The School Board's Special Education program purchased educational software without undergoing an RFP process. The cost of the software was approximately \$28,000.

**Effect:** The School Board is out of compliance with the statute referenced to above. As a result, the School Board may not be receiving the lowest price for its goods and services.

**Questioned Costs:** Undetermined. The questioned cost would be the differences between the bid or quoted price and the price paid. The price paid did not appear to be unreasonable.

**Recommendation:** The School Board should adopt a policy regarding the purchase of educational software products that should include an RFP process.

***View of Responsible Official and Planned Corrective Action:***

*Procurement – During 2010 and in prospective years, management will plan to conduct an RFP process for the purchase of software when required by the public bid law. Additionally, management will make personnel responsible for purchasing software aware of this requirement.*

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

**Financial Statement Audit**

**2008 - 1**      **Budget Law Violation**

- Criteria:**      LA Revised Statute 39:1310 requires governments to amend general and special revenue fund budgets when actual expenditures plus expected expenditures exceed budgeted amounts by 5% or more or when actual revenues plus expected revenues will fall short of budgeted amounts by 5% or more.
- Condition:**      The School Board's Operation and Maintenance Fund actual expenditures exceeded budgeted expenditures by 42%.
- Effect:**      The School Board is in violation of LA Revised Statute 39:1310.
- Recommendation:**      We recommend that all funds adhere to the adopted budget and monitor compliance. When it becomes apparent that expenditures exceed the budget by 5% or more, or when revenues fall short by 5% or more, the budget should be brought before the Board for amendment.
- Current Status:**      Not Resolved. Repeat Finding 2009-1.

**2008 - 2**      **Child Nutrition Program - Accounting for Inventory**

- Criteria:**      Accurate records of food inventory received, shipped, used and quantities on hand should be maintained.
- Condition:**      The School Board's inventory records are kept manually through handwritten forms which document quantities received, distributed to schools, used in meal preparation and quantities on hand. This manual process lends itself to mathematical errors and possible manipulation. During the fiscal year under audit, the School Board purchased a computerized inventory system. However, the system has not yet been implemented.
- Effect:**      By using manual recordkeeping processes versus a computerized system, the School Board is more vulnerable to inaccurate financial reporting as well as potential for fraud or abuse.
- Recommendation:**      The School Board should continue to progress on implementation of the new computerized inventory system. This computerized system will provide stronger internal controls over food inventories.
- Current Status:**      A computerized system was implemented during the fiscal year under audit. The School Board continued to keep records manually given school food employees are still learning the new computerized system.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

**Financial Statement Audit (continued)**

**2008 - 3**      **Public Bid Law**

- Criteria:**      Under the compliance criteria set forth for procurement of equipment with federal funds, the same State policies and procedures used for procurements from non-federal funds shall be used. LA Revised Statute 38:2212.1 requires the advertisement and letting of lowest responsible bidder for the purchase of materials and supplies in excess of \$20,000 paid out of public funds.
- Condition:**      The School Board purchased classroom active boards with federal funds without submitting this purchase to the bid process when similar products were available.
- Effect:**      The School Board is out of compliance with the statute referenced to above. As a result, the School Board may not be receiving the lowest price for its goods and services.
- Recommendation:**      All purchases in excess of \$20,000 should be bid in accordance with the above statute.
- Current Status:**      Similar Finding 2009-2 for software purchases, however, this particular type of product purchase is now, in most instances, subjected to the bid process in accordance with School Board policy and state law.

**Major Federal Award Programs**

*CFDA # 10.555 National School Lunch Program*

**2008 - 4**      **Accounting for Inventory**

See 2008 - 2 regarding manual accounting records for inventory.

*CFDA # 84.287 Twenty-First Century Community Learning Centers*

**2008 - 5**      **Allowable Costs**

- Criteria:**      Under the criteria set forth in OMB Cost Circular A-87, compensation of employees for time devoted and identified specifically to the performance of those awards are allowable costs of a Federal award program. Where employees work on multiple activities, a distribution of their salaries must be supported by personnel activity reports or its equivalent. For those employees who work solely on a single Federal award or cost objective charges for their salaries are to be supported by semi-annual certifications that the employee worked solely on that program for the period covered by the certification.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

**Major Federal Award Programs (continued)**

*CFDA # 84.287 Twenty-First Century Community Learning Centers*

**2008 - 5**

**Allowable Costs (continued)**

- Condition: The School Board was unable to provide employee sign-in sheets (meet the definition of personnel activity reports) for 8 out the 15 employees selected for testing to support the wages paid. Additionally, a semi-annual certification was not obtained for the one employee who works solely under the Twenty-First Century Community Learning Center program.
- Effect: Without supporting documentation of an employee's time and effort toward the performance of activities of the Federal award, the School Board is non-compliant with the terms of the grant agreement.
- Recommendation: All sign-in sheets must be maintained to support each employee's time and effort spent in the performance of activities of the Federal award. In addition, for those employees whose time and effort is devoted solely to the 21<sup>st</sup> Century program, the School Board must obtain the signed semi-annual certifications to comply with OMB Cost Circular A-87.
- Current Status: Resolved. All sign-in sheets were maintained to support each employee's time and effort spent in the performance of activities of the federal award.

**2008 - 6**

**Allowable Costs**

- Criteria: Costs charged to federal grants must meet the allowability provisions of OMB Circular A-87. One provision of allowability is the concept of allocability, that is, the program, should only bear its fair share of costs in proportion to the benefits it receives.
- Condition(s): The Twenty-First Century Community Learning Center has a community partner, the East Feliciana 5<sup>th</sup> Day Program, Inc (5<sup>th</sup> Day Inc). Together, the School Board and 5<sup>th</sup> Day Inc share the financial responsibility of operating the after-school and 5<sup>th</sup> day programs. We have the following concerns regarding this partnership:
- The division of each party's responsibilities is unclear and undocumented.
  - The Executive Director of 5<sup>th</sup> Day Inc is also the Director of the Twenty-First Century Program of the School Board and is employed by the School Board.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

**C. Findings - Major Federal Award Programs (continued)**

*CFDA # 84.287 Twenty-First Century Community Learning Centers (continued)*

**2008 - 6**      **Allowable Costs** (continued)

**Effect:**            The School Board may be incurring costs which are not its responsibility under the terms of the grant award. The dual fiduciary duties of the director present a conflict of interest given the stewardship responsibilities of the federal grant and 5<sup>th</sup> Day Inc., a not-for-profit organization.

**Recommendation:**    The School Board should address its relationship with 5<sup>th</sup> Day, Inc. and decide whether further partnership is warranted. Should the Board desire to continue the relationship, then the responsibilities of each party should be documented. A cooperative endeavor agreement should be entered into by the two organizations.

**Current Status :**      Resolved.

*CFDA # 84.010 Title I*

*CFDA #84.010A Federal School Improvement*

**2008 - 7**      **Procurement**

See 2008 - 3 regarding public bid law compliance.

**Current Status :**      Resolved.

**PERFORMANCE MEASUREMENT DATA**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Members of the  
East Feliciana Parish School Board

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of East Feliciana Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of East Feliciana Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules. We did not audit the information and express no opinion on it. Our procedures and findings are as follows:

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)**

**Procedure #1**

In performing tests of transactions, P&N selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are recorded correctly and are reported within the following amounts reported in the schedule as appropriate:

- Total general fund expenditures
- Total general fund equipment expenditures
- Total local taxation revenue
- Total local earnings on investment in real property
- Total state revenue in lieu of taxes
- Nonpublic textbook revenue
- Nonpublic transportation revenue

**Results of procedure # 1**

In performing the testing on the sample of expenditures/revenues, we noted no exceptions to this procedure.

## **Education Levels of Public School Staff (Schedule 2)**

### **Procedure # 2**

We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

### **Results of Procedure # 2**

No differences were noted between the number of full-time classroom teachers per schedule 4 and schedule 2, or between the schedules and the Oct. 1 payroll records.

### **Procedure # 3**

We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule and to the School Board's supporting payroll records as of October 1<sup>st</sup>.

### **Results of procedure # 3**

No differences were noted between the number of principals and assistant principals per schedule 4 and schedule 2, or between the schedules and the Oct. 1 payroll records.

### **Procedure # 4**

We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individuals' personnel files to determine if the individual's education level was properly classified on the schedule.

### **Results of Procedure # 4:**

In our sample of 25 employees, all 25 employees files reviewed agreed to the degree level reported in Schedule 2.

## **Number and Type of Public Schools (Schedule 3)**

### **Procedure # 5**

We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the School Food Service application.

### **Results of Procedure # 5**

We noted no discrepancies between the schools as listed in the "Class Size Data Report" and the list of schools on the application.

## **Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)**

### **Procedure #6**

We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individuals' personnel files to determine if the individuals' experience was properly classified on the schedule.

Results of Procedure # 6

In our sample of 25 employees, no discrepancies existed between the aforementioned listing and the schedule.

**Public Staff Data (Schedule 5)**

Procedure # 7

We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalency status as reported on the schedule. From the list, a random sample of 25 teachers was selected. For the teachers selected, we observed the individuals' personnel file and the District's salary schedule and determined if the individual's salary, extra compensation, and full-time equivalency status were properly included on the schedule.

Results of procedure # 7

In our sample of 25 teachers, we found no discrepancies between the individual's personnel file and the District's salary schedule and the amounts reported on Schedule 5.

Procedure # 8

We recalculated the average salaries and full-time equivalents reported in the schedule to determine mathematical accuracy.

Results of procedure # 8

We noted no differences between the averages reported on the schedule and our calculations.

**Class Size Characteristics (Schedule 6)**

Procedure # 9

We obtained a "class size data report" which was obtained from the same data source for which schedule 6 was prepared. From this "class size data report", we selected a random sample of 10 classes to the October 1<sup>st</sup> roll books for those classes and determined if the class was properly classified on the schedule.

Results of Procedure # 9

Of the 10 classes selected, we noted the following differences in 7 classes between the roll book counts and the number reported in Schedule 6:

<b>Number of Students Reported</b>	<b>Roll Book Counts</b>	<b>Difference</b>
38	36	-2
18	17	-1
16	17	1
24	22	-2
22	26	4
12	14	2
23	24	1

**Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)**

**Procedure # 10**

We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the East Feliciana Parish School Board.

**Results of Procedure # 10**

No differences were noted.

**The Graduation Exit Exam for the 21st Century (Schedule 8)**

**Procedure # 11**

We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the East Feliciana Parish School Board.

**Results of Procedure # 11**

No differences were noted.

**The iLEAP Tests (Schedule 9)**

**Procedure # 12**

We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the East Feliciana Parish School Board.

**Results of Procedure # 12**

No differences were noted.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of East Feliciana Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite + Netterville*

Baton Rouge, Louisiana  
December 19, 2009



**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)**

**As of and for the Year Ended June 30, 2009**

**Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 - Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial Statistical Report (AFSR).

**Schedule 4 - Experience of Public Teachers and Full-time Classroom Teachers**

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 - Public School Staff Data**

This schedule includes average classroom teachers' salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the legislature in the Annual School Report (ASR).

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 8 - The Graduation Exit Exam**

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 9 - The i-LEAP Tests**

This schedule represents student performance testing data and includes summary scores by district for grades 3, 5, 6, 7, and 9 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2009**

**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

**General Fund Instructional Expenditures:**

**Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 6,381,411	
Other Instructional Staff Activities	893,925	
Instructional Staff Employee Benefits	2,976,591	
Purchased Professional and Technical Services	184,947	
Instructional Materials and Supplies	256,505	
Instructional Equipment	14,056	
Total Teacher and Student Interaction Activities		\$ 10,707,435

Other Instructional Activities 84,654

Pupil Support Services 545,700  
Less: Equipment for Pupil Support Services -  
Net Pupil Support Services 545,700

Instructional Staff Services 986,900  
Less: Equipment for Instructional Staff Services -  
Net Instructional Staff Services 986,900

School Administration 1,572,033  
Less: Equipment for School Administration (11,481)  
Net School Administration 1,560,552

Total General Fund Instructional Expenditures \$ 13,885,241

Total General Fund Equipment Expenditures \$ 14,056

**Certain Local Revenue Sources**

**Local Taxation Revenue:**

Constitutional Ad Valorem Taxes	\$ 310,911
Renewable Ad Valorem Tax	1,581,203
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	48,231
Sales and Use Taxes	1,369,135
Total Local Taxation Revenue	\$ 3,309,480

**Local Earnings on Investment in Real Property:**

Earnings from 16th Section Property	\$ 335
Earnings from Other Real Property	3,205
Total Local Earnings on Investment in Real Property	\$ 3,540

**State Revenue in Lieu of Taxes:**

Revenue Sharing - Constitutional Tax	\$ 75,444
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ 75,444

Nonpublic Textbook Revenue \$ 12,267

Nonpublic Transportation Revenue \$ -

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Education Levels of Public School Staff**  
**As of October 1, 2008**

**Schedule 2**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	2	1.60%	0	0.00%	0	0.00%	0	
Bachelor's Degree	85	68.00%	28	93.33%	0	0.00%	0	
Master's Degree	24	19.20%	1	3.33%	8	53.33%	0	
Master's Degree + 30	14	11.20%	1	3.33%	7	46.67%	0	
Specialist in Education	0	0.00%	0	0.00%	0	0.00%	0	
Ph. D. or Ed. D.	0	0.00%	0	0.00%	0	0.00%	0	
<b>Total</b>	<b>125</b>	<b>100.00%</b>	<b>30</b>	<b>100.00%</b>	<b>15</b>	<b>100.00%</b>	<b>0</b>	

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Schedule 3**

**Number and Type of Public Schools**  
**For the Year Ended June 30, 2009**

<b>Type</b>	<b>Number</b>
Elementary	3
Middle/Jr. High	2
Secondary	2
Combination	1
<b>Total</b>	<b>8</b>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Experience of Public Principals and Full-time Classroom Teachers**  
**As of October 1, 2008**

**Schedule 4**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	2	3	0	1	2	8
Principals	0	0	1	0	0	1	5	7
Classroom Teachers	44	22	27	18	11	10	23	155
Total	44	22	30	21	11	12	30	170

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Public School Staff Data**  
**For the Year Ended June 30, 2009**

**Schedule 5**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	42,510.49	42,143.35
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	42,481.08	42,111.70
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	170.00	158.00

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Class Size Characteristics**  
**As of October 1, 2008**

**Schedule 6**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	50.15%	166	42.90%	142	3.83%	12	3.32%	11
Elementary Activity Classes	32.26%	10	35.48%	11	3.23%	1	29.03%	9
Middle/Jr. High	81.71%	143	18.29%	32	0.00%	0	0.00%	0
Middle/Jr. High Activity Classes	17.65%	3	47.06%	8	17.65%	3	17.65%	3
High	72.28%	193	20.97%	56	6.74%	18	0.00%	0
High Activity Classes	90.91%	20	9.09%	2	0.00%	0	0.00%	0
Combination	100.00%	11	0.00%	0	0.00%	0	0.00%	0
Combination Activity Classes	100.00%	2	0.00%	0	0.00%	0	0.00%	0



**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Louisiana Educational Assessment Program (LEAP) for the 21st Century**  
**For the Year Ended June 30, 2009**  
**Grade 4**

**Schedule 7**  
**1 of 2**

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	3	1.47%	3	1.52%	7	3.85%	10	4.90%	12	6.09%	13	7.14%
Mastery	30	14.71%	39	19.80%	30	16.48%	18	8.82%	32	16.24%	26	14.29%
Basic	102	50.00%	78	39.59%	78	42.86%	78	38.24%	75	38.07%	73	40.11%
Approaching Basic	49	24.02%	44	22.34%	45	24.73%	58	28.43%	34	17.26%	36	19.78%
Unsatisfactory	20	9.80%	33	16.75%	22	12.09%	40	19.61%	44	22.34%	34	18.68%
<b>Total</b>	<b>204</b>	<b>100.00%</b>	<b>197</b>	<b>100.00%</b>	<b>182</b>	<b>100.00%</b>	<b>204</b>	<b>100.00%</b>	<b>197</b>	<b>100.00%</b>	<b>182</b>	<b>100.00%</b>

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	4	1.96%	2	1.02%	1	0.55%	0	0.00%	0	0.00%	2	1.10%
Mastery	19	9.31%	14	7.11%	14	7.69%	7	3.43%	13	6.60%	18	9.89%
Basic	73	35.76%	53	26.90%	75	41.21%	88	43.14%	64	32.49%	79	43.41%
Approaching Basic	76	38.24%	79	40.10%	65	35.71%	61	29.90%	63	31.98%	44	24.18%
Unsatisfactory	30	14.71%	49	24.87%	27	14.84%	48	23.53%	57	28.93%	39	21.43%
<b>Total</b>	<b>204</b>	<b>100.00%</b>	<b>197</b>	<b>100.00%</b>	<b>182</b>	<b>100.00%</b>	<b>204</b>	<b>100.00%</b>	<b>197</b>	<b>100.00%</b>	<b>182</b>	<b>100.00%</b>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Schedule 7**  
**2 of 2**

**Louisiana Educational Assessment Program (LEAP) for the 21st Century**  
**For the Year Ended June 30, 2009**  
**Grade 8**

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	1	0.72%	1	0.70%	0	0.00%	1	0.72%	2	1.41%	1	0.58%
Mastery	8	5.78%	8	5.83%	11	8.36%	2	1.44%	1	0.70%	2	1.18%
Basic	62	44.80%	56	39.44%	58	33.53%	61	43.88%	49	34.51%	70	40.48%
Approaching Basic	60	43.17%	39	27.48%	84	48.55%	47	33.81%	49	34.51%	61	35.28%
Unsatisfactory	8	5.78%	38	26.76%	20	11.56%	28	20.14%	41	28.87%	39	22.54%
<b>Total</b>	<b>139</b>	<b>100.00%</b>	<b>142</b>	<b>100.00%</b>	<b>173</b>	<b>100.00%</b>	<b>139</b>	<b>100.00%</b>	<b>142</b>	<b>100.00%</b>	<b>173</b>	<b>100.00%</b>

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	3	2.14%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1	0.58%
Mastery	13	9.29%	9	6.34%	8	4.62%	5	3.57%	10	7.04%	2	1.16%
Basic	57	40.71%	34	23.94%	45	26.01%	60	42.86%	54	38.03%	60	34.68%
Approaching Basic	53	37.86%	52	36.62%	67	38.73%	48	34.29%	48	33.80%	65	37.57%
Unsatisfactory	14	10.00%	47	33.10%	53	30.64%	27	19.29%	30	21.13%	45	26.01%
<b>Total</b>	<b>140</b>	<b>100.00%</b>	<b>142</b>	<b>100.00%</b>	<b>173</b>	<b>100.00%</b>	<b>140</b>	<b>100.00%</b>	<b>142</b>	<b>100.00%</b>	<b>173</b>	<b>100.00%</b>

**EAST FELICIANA PARISH SCHOOL BOARD**  
Clinton, Louisiana

**For the Year Ended June 30, 2009**  
**Grades 10 and 11**

**Schedule 8**

Achievement Level	Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>												
Advanced	1	0.83%	0	0.00%	0	0.00%	5	4.13%	2	1.64%	1	0.85%
Mastery	5	4.17%	9	7.32%	6	5.08%	9	7.44%	10	8.20%	8	6.78%
Basic	60	50.00%	54	43.90%	37	31.36%	61	50.41%	40	32.79%	49	41.53%
Approaching Basic	42	35.00%	39	31.71%	49	41.53%	30	24.79%	44	36.07%	31	26.27%
Unsatisfactory	12	10.00%	21	17.07%	26	22.03%	16	13.22%	26	21.31%	29	24.58%
<b>Total</b>	<b>120</b>	<b>100.00%</b>	<b>123</b>	<b>100.00%</b>	<b>118</b>	<b>100.00%</b>	<b>121</b>	<b>100.00%</b>	<b>122</b>	<b>100.00%</b>	<b>118</b>	<b>100.00%</b>

Achievement Level	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>												
Advanced	0	0.00%	0	0.00%	2	1.54%	0	0.00%	0	0.00%	0	0.00%
Mastery	6	5.61%	3	2.70%	6	4.62%	1	0.93%	1	0.91%	3	2.31%
Basic	38	35.51%	31	27.93%	46	35.38%	35	32.71%	32	29.09%	43	33.08%
Approaching Basic	38	35.51%	38	34.23%	46	35.38%	39	36.45%	45	40.91%	51	39.23%
Unsatisfactory	25	23.36%	39	35.14%	30	23.08%	32	29.91%	32	29.09%	33	25.38%
<b>Total</b>	<b>107</b>	<b>100.00%</b>	<b>111</b>	<b>100.00%</b>	<b>130</b>	<b>100.00%</b>	<b>107</b>	<b>100.00%</b>	<b>110</b>	<b>100.00%</b>	<b>130</b>	<b>100.00%</b>

**EAST FELICIANA PARISH SCHOOL BOARD**  
Clinton, Louisiana

**Schedule 9**  
**1 of 3**

**The IOWA Tests**  
**For the Year Ended June 30, 2009**

**Schedule 9. LEAP Test**

For the year ended June 30, 2009

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	0	0%	4	2%	2	1%	0	0%
Mastery	21	11%	15	8%	16	8%	14	7%
Basic	58	30%	64	33%	58	30%	67	34%
Approaching Basic	45	23%	54	28%	66	34%	57	29%
Unsatisfactory	71	36%	58	30%	53	27%	57	29%
Total	195	100%	195	100%	195	100%	195	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	4	2%	4	2%	2	1%	1	1%
Mastery	11	7%	12	7%	5	3%	8	5%
Basic	56	35%	51	31%	48	30%	51	31%
Approaching Basic	48	30%	36	22%	67	41%	40	25%
Unsatisfactory	43	27%	59	36%	40	25%	62	38%
Total	162	100%	162	100%	162	100%	162	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>								
Advanced	0	0%	1	1%	4	3%	2	2%
Mastery	5	3%	3	2%	8	6%	8	6%
Basic	48	31%	43	28%	46	37%	42	34%
Approaching Basic	62	41%	49	32%	47	38%	31	25%
Unsatisfactory	38	25%	57	37%	20	16%	42	34%
Total	153	100%	153	100%	125	100%	125	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	4	3%	2	2%	0	0%	1	1%
Mastery	8	6%	8	6%	8	6%	8	6%
Basic	46	37%	42	34%	49	39%	75	60%
Approaching Basic	47	38%	31	25%	43	34%	27	22%
Unsatisfactory	20	16%	42	34%	25	20%	14	11%
Total	125	100%	125	100%	125	100%	125	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2007		2007	
Students	Number	Percent	Number	Percent
<b>Grade 9</b>				
Advanced	1	1%	2	1%
Mastery	3	2%	3	2%
Basic	56	37%	47	31%
Approaching Basic	68	45%	47	31%
Unsatisfactory	24	16%	53	35%
Total	152	100%	152	100%

**Schedule 9**  
2 of 3

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	1%	2	1%	0	0%	2	1%
Mastery	21	12%	20	11%	4	2%	8	5%
Basic	61	35%	50	28%	49	28%	79	46%
Approaching Basic	53	30%	47	27%	62	35%	51	29%
Unsatisfactory	40	23%	57	32%	61	35%	36	20%
Total	176	100%	176	100%	176	100%	176	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	4	3%	4	3%	0	0%	1	1%
Mastery	18	12%	19	13%	12	8%	8	5%
Basic	63	43%	71	49%	44	30%	74	51%
Approaching Basic	38	26%	20	14%	61	42%	30	27%
Unsatisfactory	23	16%	32	22%	29	20%	24	16%
Total	146	100%	146	100%	146	100%	146	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	2	1%	3	2%	1	1%	8	5%
Mastery	7	5%	5	3%	10	7%	17	11%
Basic	62	41%	72	48%	61	40%	65	43%
Approaching Basic	52	34%	25	17%	62	41%	31	21%
Unsatisfactory	28	19%	48	30%	17	11%	30	20%
Total	151	100%	151	100%	151	100%	151	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	10	8%	0	0%	2	2%	4	3%
Basic	52	40%	33	26%	44	34%	58	45%
Approaching Basic	48	37%	44	34%	57	44%	40	31%
Unsatisfactory	19	15%	52	40%	26	20%	27	21%
Total	129	100%	129	100%	129	100%	129	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2008		2008	
Students	Number	Percent	Number	Percent
Grade 8				
Advanced	0	0%	1	1%
Mastery	5	3%	1	1%
Basic	60	39%	64	42%
Approaching Basic	72	47%	39	25%
Unsatisfactory	17	11%	49	32%
Total	154	100%	154	100%

**Schedule 9**  
3 of 3

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	6	3%	6	3%	3	2%	1	1%
Mastery	22	12%	23	13%	15	8%	22	12%
Basic	60	34%	61	34%	57	32%	78	44%
Approaching Basic	47	26%	37	21%	66	37%	43	24%
Unsatisfactory	44	25%	52	29%	37	21%	34	19%
Total	179	100%	179	100%	178	100%	178	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	1%	3	2%	4	3%	1	1%
Mastery	15	10%	10	6%	9	6%	10	6%
Basic	54	35%	60	38%	41	26%	69	44%
Approaching Basic	49	31%	31	20%	59	38%	37	24%
Unsatisfactory	37	24%	52	33%	43	28%	39	25%
Total	156	100%	156	100%	156	100%	156	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	1%	9	6%	1	1%	10	7%
Mastery	14	10%	23	16%	15	11%	23	16%
Basic	73	52%	61	43%	61	43%	88	61%
Approaching Basic	35	25%	14	10%	45	32%	20	14%
Unsatisfactory	18	13%	34	24%	19	13%	2	1%
Total	141	100%	141	100%	141	100%	141	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	2	2%	4	3%	2	2%	1	1%
Mastery	4	3%	6	5%	11	9%	6	5%
Basic	51	40%	48	37%	54	42%	55	43%
Approaching Basic	51	40%	35	27%	43	34%	44	34%
Unsatisfactory	21	16%	35	28%	18	14%	22	17%
Total	129	100%	129	100%	128	100%	128	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	1	1%	7	5%
Mastery	13	9%	6	4%
Basic	57	42%	56	41%
Approaching Basic	53	39%	39	28%
Unsatisfactory	13	9%	29	21%
Total	137	100%	137	100%

**EAST FELICIANA PARISH SCHOOL BOARD**

**REPORT TO MANAGEMENT**

**JUNE 30, 2009**

December 19, 2009

Board Members  
East Feliciana Parish School Board  
Clinton, Louisiana

In planning and performing our audit of the financial statements of the East Feliciana Parish School Board (the School Board), for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control.

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are set forth below. We previously reported on the School Board's internal control in our report dated December 19, 2009. This letter does not affect our report dated December 19, 2009, on the financial statements of the East Feliciana Parish School Board.

**2009-1) Information Technology Controls over Payroll**

**Condition:** While performing our review of the internal controls over the IT environment of the School Board the following matters were noted as opportunities for strengthening the controls over the IT environment with respect to payroll:

- Changes to payroll information, such as employee pay rates, and vacation and sick accruals can be made without proper approval.
- The number of individuals with access to the payroll information is beyond that which is necessary.

**Recommendation:** Management should implement an approval process whereby appropriate levels of management ensure that proper changes of critical information within the payroll application are reviewed, approved, and documented. In addition, only a limited number of employees should have access to change this information to minimize the ability for unauthorized changes to payroll information.

**Management's Response:** *Management will review this matter with personnel responsible for information technology and explore opportunities for the enhancement of procedures relating to payroll in the School Board's accounting system.*



**2009-2) Software Capitalization under GASB 51**

**Condition:** The School Board currently recognizes the cost of software as an expenditure of a fund. These costs have not historically been capitalized on the statement of net assets of the School Board. The Governmental Accounting Standards Board issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* which is effective for periods beginning after June 15, 2009. This statement clarifies that all intangible assets, including software, be classified as capital assets and be recognized in the statement of net assets if it is considered identifiable.

**Recommendation:** Management should inform all departmental supervisors and accounting personnel of the new accounting standard. In addition, management should work with its third party accounting consultants on the proper methods for recognizing and recording any future costs of internally generated software.

***Management's***

***Response:***

*Management will review software purchases during subsequent years for application of this accounting requirement. To the extent capitalization is required, purchased software will be added to the accounting system fixed asset module for depreciation purposes.*

**2009-3) Unaccounted for Laptop – Special Education**

**Condition:** While performing a test for existence of fixed assets, we were not able to locate a laptop computer with an original cost of approximately \$1,600 used in the Special Education Program. Laptop computers are loaned to Special Education teachers and students on an as needed basis. A tracking list of the computers is maintained which lists the make and model of each computer and the contact information of the individual to whom which the laptop was loaned. This listing does not contain the serial number of the computer making locating the computer very difficult.

**Recommendation:** The tracking list used should be revised to include the serial number of each laptop and on annual basis these laptops should be inspected by the Special Education Supervisor to ensure its existence.

***Management's***

***Response:***

*Management will review this matter with Special Education personnel. Management will consider adding the computer serial numbers to the tracking listing and require annual inspection of assets maintained on the list.*

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management, and we will pleased to discuss them in further detail at your convenience, to perform an additional study of these matters, or to assist you in implementing the recommendations.

We appreciate the cooperation received from the School Board's accounting and federal and state grant program personnel during the audit process. This report is intended solely for the information and use of the Finance Committee, Board of Directors, Management, Accounting and Federal Grant Program Administrators and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Postlethwaite + Netterville*